STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

STAFF CONFERENCE <u>AGENDA</u> September 23, 2019

COMMISSION STAFF

NO AGENDA ITEMS

PUBLIC STAFF

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- P2. DOCKET NO. W-1300, SUB 46 OLD NORTH STATE WATER COMPANY, LLC WILLIAM C. KLEIN APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES Exhibit No. P-2
- P3. DOCKET NO. W-1320, SUB 0, DOCKET NO. W-1300, SUB 55 ONSWC CHATHAM NORTH, LLC OLD NORTH STATE WATER COMPANY, LLC APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES

DOCKET NO. W-1320, SUB 2, DOCKET NO. W-661, SUB 9 - ONSWC - CHATHAM NORTH, LLC - FITCH CREATIONS, INC. D/B/A FEARRINGTON UTILITIES - APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES Exhibit No. P-3

TO: Agenda – Commission Conference – September 23, 2019

FROM: PUBLIC STAFF – North Carolina Utilities Commission

C. COMMUNICATIONS

P1. FILING OF INTERCONNECTION AGREEMENT AMENDMENT BY AT&T

EXPLANATION: The following interconnection agreement amendment was filed for Commission approval on August 15, 2019:

BellSouth Telecommunications, LLC, d/b/a AT&T North Carolina (AT&T)

<u>Docket No. P-55, Sub 1942</u> – Amendment filed on August 15, 2019, to an interconnection agreement with CSC Wireless, LLC, d/b/a Altice Mobile, which was approved by the Commission on August 12, 2019. The amendment adds several states to the agreement, pricing sheets, and state-specific appendices, as applicable.

This filing was made in compliance with Commission Rule R17-4(d) and Sections 252(e) and 252(i) of the Telecommunications Act of 1996. The Act provides for the filing of such agreements and amendments with the state commission and approval or rejection by the state commission within 90 days after filing. On June 18, 1996, the Commission issued an Order in Docket No. P-100, Sub 133, allowing interim operation under negotiated agreements filed as public records prior to Commission approval of the agreements.

The Public Staff has reviewed this filing and recommends Commission approval.

RECOMMENDATION: (Proffitt) That an order be issued approving the amendment effective on the date it was filed. The Public Staff has provided a copy of the proposed order to the Commission's Legal Staff.

P2. DOCKET NOS. P-100, SUBS 133L, 133N, AND 171 – CERTIFICATION OF ELIGIBLE TELECOMMUNICATIONS CARRIERS TO CONTINUE TO RECEIVE FEDERAL UNIVERSAL SERVICE HIGH-COST SUPPORT

EXPLANATION: In order to receive Federal Universal Service High-Cost Support for the calendar year 2020, a state is required pursuant to Section 54.314(a) of the rules of the Federal Communications Commission (FCC) to file an annual certification with the FCC and the Universal Service Administrative Company (USAC). The certification must state that all federal high-cost support provided to carriers within that state was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Absent such certification, eligible companies will not receive federal high-cost support for the calendar year 2020. For a carrier to receive support throughout the succeeding calendar year, the certification from the state must be received on or before October 1. In order to make this certification to the FCC and USAC, eligible high-cost regulated telephone companies in North Carolina must submit to the Commission a sworn affidavit written in the manner required by 54.314(a).

The Commission has received affidavits from 17 eligible telecommunications carriers: Barnardsville Telephone Company; BellSouth Telecommunications, LLC; Carolina Telephone and Telegraph Company; Central Telephone Company; Citizens Telephone Company; Ellerbe Telephone Company; Frontier Communications of the Carolinas LLC; Mebtel, Inc.; North State Telephone Company; Pineville Telephone Company; RiverStreet Communications of NC, Inc.; Saluda Mountain Telephone Company; Service Telephone Company; Wilkes Communications, Inc.; Windstream Concord Telephone LLC; Windstream Lexcom Communications, LLC; and Windstream North Carolina, LLC. On April 8, 2019, Verizon South Inc., submitted notice to the FCC that it has elected not to receive any federal universal service support for North Carolina.

RECOMMENDATION: (Proffitt) That based on the filed information, the Commission sends appropriate letters to the FCC and USAC certifying that the 17 high-cost telephone companies in North Carolina that submitted affidavits are in compliance with Section 254(e) of the Telecommunications Act of 1996 and are eligible to receive federal high-cost support for the year 2020.

D. <u>ELECTRIC</u>

P1. <u>APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT SOLAR FACILITIES</u>

EXPLANATION: The following applications seeking amended certificates of public convenience and necessity pursuant to N.C. Gen. Stat. § 62-110.1 for construction of solar photovoltaic electric generating facilities were filed pursuant to Commission Rule R8-64.

<u>Duke Energy Carolinas, LLC</u>:

<u>Docket No. SP-8431 Sub 0</u> – Application of Saw Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct a 4.999-MW Solar Photovoltaic Facility in Rowan County, North Carolina (registration statement issued previously)

Duke Energy Progress, LLC:

- <u>Docket No. SP-5261, Sub 0</u> Application of Overman Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct a 5-MW Solar Photovoltaic Facility in Wayne County, North Carolina (registration statement issued previously)
 - <u>Docket No. SP-8282, Sub 0</u> Application of Scotch Bonnet Solar, LLC for an amended Certificate of Public Convenience and Necessity to Construct a 5-MW Solar Photovoltaic Facility in Pender County, North Carolina (registration statement issued previously)
 - <u>Docket No. SP-8361, Sub 0</u> Application of Airport Solar, LLC, for an amended Certificate of Public Convenience and Necessity to Construct a 5-MW Solar Photovoltaic Facility in Anson County, North Carolina (registration statement issued previously)

The Public Staff has reviewed the applications and determined that they comply with the requirements of N.C. Gen. Stat. § 62-110.1 and Commission Rule R8-64.

RECOMMENDATION: (Lawrence) That the Commission issue orders approving the applications and issuing the requested certificates for these facilities. Proposed orders have been provided to the Commission Staff.

E. <u>WATER</u>

P1. <u>DOCKET NO. W-1274, SUB 7 – LAKE JUNALUSKA ASSEMBLY, INC. – APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY</u>

EXPLANATION: On September 28, 2018, Lake Junaluska Assembly, Inc. (LJA), filed an application for a certificate of public convenience and necessity (CPCN) to provide water and sewer service to residential and commercial customers in the Lake Junaluska service area, Haywood County, and for approval of rates.

In Docket No. W-1274, Sub 0, the Commission granted a CPCN to Southeastern Jurisdictional Administrative Council, d/b/a Lake Junaluska Assembly, by Order dated December 19, 2007. On June 23, 2009, LJA filed a petition with the Commission in Docket No. W-1274, Sub 4, requesting exemption from regulation pursuant to N.C. Gen. Stat. § 62-110.5. LJA is a North Carolina non-profit corporation, formed in 1938. LJA is affiliated with The United Methodist Church, and the Internal Revenue Service recognized LJA as a tax exempt charitable organization in 1959. On August 18, 2011, the Commission granted LJA's petition and LJA was exempt from Commission regulation, unless and until such time that circumstances change so that the regulation of LJA, is required.

LJA currently purchases bulk water and bulk sewer treatment service from the Town of Waynesville (Waynesville) to serve approximately 862 water and 829 sewer customers in Lake Junaluska.

On October 11, 2017, in Docket No. W-1274, Sub 5, Timothy F. Phelan filed a formal complaint with the Commission against LJA, alleging that the organization is no longer eligible for exemption from Commission regulation and must file for a CPCN. On October 18, 2017, in Docket No. W-1274, Sub 6, Walt Logan, filed a complaint with the Commission against LJA, alleging that the organization refuses to make available financial information regarding its operation of utility services and should no longer be exempt from Commission regulation. LJA filed a response in Docket No. W-1274, Subs and 6 on November 1, 2017, denying the allegations of both Mr. Phelan and Mr. Logan, but consented to be regulated by the Commission. Subs 5 and 6 were consolidated by Order dated November 2, 2017. On April 23, 2018, the Commission issued an Order revoking the exemption granted to LJA in Docket No. W-1274, Sub 4, and further Ordered that LJA file an application for a CPCN within 120 days of the date of the Order.

On August 20, 2018, LJA filed a Motion for Extension of Time. On August 21, 2018, the Commission granted LJA an extension until September 29, 2018 to file its application.

The CPCN Application filed on September 28, 2018 reflected LJA's sewer usage rates of \$3.99/CCF (100 cubic feet) or \$5.33/1,000 gallons, which were based upon the bulk rates of \$3.10/CCF being paid by LJA to Waynesville for purchased bulk sewer service at that time.

On August 12, 2019, LJA requested authority to pass on the increased cost of purchased bulk sewer treatment from Waynesville, in the interim pending approval of the CPCN application. Effective for service rendered on and after July 1, 2019, Waynesville increased its bulk sewer rate to LJA by ten percent, from \$3.10/CCF to \$3.41/CCF. As a result, LJA in its August 12, 2019, filing amended the proposed rates set forth in its CPCN Application and further requested authority to pass along to its customers in Lake Junaluska the \$0.31/CCF increased cost of purchasing bulk sewer service from Waynesville, resulting in a sewer usage rate increase from \$3.99/CCF to \$4.30/CCF, which is an increase in the per 1,000 gallon charge from \$5.33/1,000 gallons to \$5.74/1,000 gallons.

The Public Staff has reviewed LJA's request and recommends that LJA be allowed to increase its sewer usage rates only (no increase in base rates) as shown below to reflect Waynesville's \$0.31/CCF increase, which equates to a \$0.41 per 1,000 gallon increase.

Monthly Sewer Service	Old Rate	New Rate
Base charge, zero usage ^{1/}	\$15.94	\$15.94
Usage charge, per CCF	\$ 3.99	\$ 4.30
Usage charge, per 1,000 gallons	\$ 5.33	\$ 5.74

^{1/}Note: There are larger base monthly charges for larger non-residential meters based on meter size.

The Public Staff is in the process of working with the Commission Staff to schedule a hearing on the CPCN Application. The Commission has not approved rates for LJA subsequent to LJA being ruled exempt in 2011 from Commission regulation.

For an average customer using 3.77 CCF per month, the rates shown above will increase their monthly sewer bill from \$30.98 to \$32.15.

EXHIBIT: A proposed order is attached as Exhibit No. P-1.

RECOMMENDATION: (Casselberry/Grantmyre) That the Commission issue the proposed order approving a pass through.

P2. <u>DOCKET NO. W-1300, SUB 46 – OLD NORTH STATE WATER COMPANY, LLC – WILLIAM C. KLEIN – APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES</u>

EXPLANATION: On February 7, 2018, Old North State Water Company, LLC (Old North State) and William C. Klein (Klein), filed an application seeking authority to transfer to Old North State the Bingham Woods Mobile Home Park water and wastewater utility system assets and franchise in Orange County, and approval of rates. As of the date of the application, there were 75 active customers in the Bingham Woods Mobile Home Park water and wastewater system service area.

Old North State and Klein have entered into an Asset Purchase Agreement (APA) dated June 12, 2017, which states that Old North State is purchasing the water and wastewater utility system from Klein for the lesser of \$95,000 or the amount of rate base as established by the Public Staff, and will also reimburse up to \$1,000 of Klein's attorney's fees with regard to the sale and transfer of the water and wastewater systems. The Public Staff's affidavit filed on September 3, 2019, recommends the amount of the original cost net investment for the water and wastewater systems to be \$87,955. The Public Staff has reviewed the APA and does not object to the terms as written. The Public Staff recommends that the Commission require Old North State to file and request approval of all future amendments to the APA within 15 days after signing said amendments.

The Old North State original cost net investment after closing will be the \$87,955 purchase price plus reimbursement of up to \$1,000 of Klein's attorney fees with regard to the sale and transfer of the water and wastewater systems.

Old North State presently holds water franchises serving approximately 406 customers and wastewater franchises serving approximately 2,643 customers in North Carolina. Old North State's record of service is satisfactory.

The mobile home park owner, Klein, has been including the cost of providing water and wastewater service in the lot rent. Old North State proposes to charge the rates shown below.

The proposed rates are as follows:

Monthly Metered Water Utility Service

Base charge, zero usage \$ 15.00 Usage charge, per 1,000 gallons \$ 5.00

Monthly Flat Rate Wastewater Service

Flat Rate Residential, per REU \$ 42.30

The average monthly water and wastewater bill based upon the average residential monthly consumption of 2,500 gallons would be \$69.80 at the applied for rates.

In an Order Requiring Customer Notice issued May 20, 2019, the Commission stated it may decide this matter without a public hearing if no significant protests were received from customers on or before June 24, 2019. No significant protests were received within the allotted time period. By Certificate of Service dated May 21, 2019, and filed with the Commission on May 23, 2019, Old North State stated that the Notice to Customers was mailed or hand-delivered to all affected customers.

The Public Staff recommends that Old North State be required to post a \$20,000 bond for Bingham Woods Mobile Home Park. Old North State currently has \$600,000 of bonds posted with the Commission. Of this amount, \$510,000 of bond surety is assigned to service areas, and \$90,000 of bond surety is unassigned.

EXHIBIT: A proposed order is attached as Exhibit No. P-2.

RECOMMENDATION: (Darden/Henry/Grantmyre) That the Commission issue the proposed order approving the APA, granting the transfer of franchise, and approving the proposed rates.

P3. DOCKET NO. W-1320, SUB 0, DOCKET NO. W-1300, SUB 55 – ONSWC - CHATHAM NORTH, LLC – OLD NORTH STATE WATER COMPANY, LLC – APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES

DOCKET NO. W-1320, SUB 2, DOCKET NO. W-661, SUB 9 - ONSWC - CHATHAM NORTH, LLC - FITCH CREATIONS, INC. D/B/A FEARRINGTON UTILITIES - APPLICATION FOR TRANSFER OF FRANCHISE AND APPROVAL OF RATES

EXPLANATION BRIAR CHAPEL: On March 14, 2019, ONSWC - Chatham North, LLC (Chatham North) and Old North State Water Company, LLC (Old North State), filed an application seeking authority to transfer to Chatham North, an affiliate of Old North State, the Briar Chapel Subdivision wastewater utility system assets and franchise in Chatham County, and for approval of rates (BC Application). There are currently 1,687 residential customers and 16 commercial customers, equal to 78 residential equivalent units (REUs), in the Briar Chapel Subdivision wastewater system service area. Chatham County provides the water utility service.

Chatham North and Old North State have entered into an Asset Purchase Agreement (BC APA) dated January 3, 2019, under which Chatham North is purchasing the Briar Chapel wastewater utility system for \$206,000, which amount Old North State listed on the BC Application as its original cost net investment.

Chatham North does not presently hold water or wastewater franchises in North Carolina.

The current rates for Briar Chapel are the rates the Commission approved in the original franchise proceeding in Docket No. W-1230, Sub 0, Order dated December 8, 2009, for the developer owned utility Briar Chapel Utilities, LLC. When Old North State acquired the Briar Chapel wastewater utility system from Briar Chapel Utilities, LLC pursuant to Commission Order dated April 20, 2015, in Docket W-1300, Sub 9, the Commission approved for Old North State the then-existing rates for Briar Chapel Utilities, LLC, which had previously been reduced for the repeal of the gross receipts tax. Chatham North proposes to continue to charge the present Commission-approved rates.

The present and proposed rates are as follows:

Monthly Flat Rate Wastewater Service
Flat Rate Residential, per REU \$42.30

On August 12, 2019, Old North State filed an amendment to the BC Application requesting approval for the connection fee to be increased from \$1,500 to \$4,000 per REU.

EXPLANATION FEARRINGTON: On August 5, 2019, Chatham North and Fitch Creations, Inc. d/b/a Fearrington Utilities (FCI) filed an application seeking authority to transfer to Chatham North the Fearrington Village wastewater utility system assets and franchise in Chatham County, and for approval of rates (Fearrington Application). There

are currently 1,383 residential customers and 6 commercial customers, equal to 66 REUs, in the Fearrington Village wastewater system service area. Chatham County provides the water utility service.

Old North State and FCI have entered into an Asset Purchase Agreement executed September 22, 2017 (Fearrington APA), under which Old North State is purchasing the Fearrington Village wastewater utility system for \$1 plus future considerations. Old North State and FCI have a pending wastewater asset and franchise transfer application in Docket No. W-1300, Sub 47 and W-661, Sub 9. Old North State assigned to Chatham North the Fearrington APA by assignment dated "March 2019".

FCI is the developer of the Fearrington Village development. The Fearrington Village wastewater treatment plant (WWTP) first two 90,000 gallons per day (gpd) phases were constructed in 1984. The last 90,000 gpd WWTP phase was constructed in 1995. This WWTP is nearing the end of its useful life and will need to be completely replaced, including material treatment upgrades, to meet upcoming nutrient management requirements for discharge in the Jordan Lake watershed. FCI has been issued a 500,000 gpd NPDES permit for discharge into an unnamed tributary of Bush Creek, a tributary of Jordan Lake. This NPDES permit will be transferred to Chatham North. The North Carolina Division of Water Resources (DWR) will be revising the Fearrington Village NPDES permit, including adding significantly more stringent nutrient requirements.

Chatham North plans to construct a pump station to pump the Fearrington Village wastewater to the Briar Chapel WWTP for treatment rather than replace the aged Fearrington Village WWTP. Chatham North plans to convert the existing 250,000 gpd Briar Chapel extended aeration WWTP into a 1.0 MGD membrane bioreactor (MBR) WWTP to serve as a regional WWTP to treat the wastewater including the future buildouts of Briar Chapel and Fearrington Village, and other nearby future developments. The high quality MBR-treated effluent will be of the quality to meet the upcoming stringent Jordan Lake nutrient requirements. Portions of the MBR-treated effluent will continue to be sprayed at the DWR-approved spray irrigation and reuse sites at Briar Chapel, and portions of MBR-treated effluent will be discharged pursuant to the NPDES 500,000 gpd permit into an unnamed tributary of Bush Creek, a tributary of Jordan Lake.

The Fearrington APA paragraph 1.9 provides that Chatham North will not apply for a rate increase for Fearrington Village until at least 24 months after the closing of the transfer of the Fearrington Village wastewater system assets to Chatham North.

The current rates for Fearrington Village were approved in FCI's most recent general rate case Order dated December 22, 2009, in Docket No. W-661, Sub 6, as later modified for the elimination of the gross receipt tax.

Chatham North proposes to continue to charge the present Commission-approved Fearrington Village rates as follows:

Annual Flat Rate Residential, per REU

\$259.97

The Fearrington Village commercial properties will continue to pay the currently approved flat rates.

On August 22, 2019, Chatham North filed a motion to consolidate the BC Application and Fearrington Application. The Public Staff supports this motion for consolidation as there will be an integrated wastewater utility system for Briar Chapel and Fearrington Village as upgraded by Chatham North.

EXHIBIT: A proposed order is attached as Exhibit No. P-3.

RECOMMENDATION: (Darden/Grantmyre) That the Commission issue the Public Staff's proposed order approving the consolidation of these dockets, scheduling a customer-only testimony evening hearing at the Chatham County Courthouse, scheduling the evidentiary hearing, requiring the pre-filing of testimony prior to the evidentiary hearing as follows: direct testimony-Chatham North, Old North State, and FCI 45 days prior; the Public Staff and intervenors 30 days prior; Chatham North, Old North State, and FCI rebuttal testimony 15 days prior; and requiring customer notice to all customers at Briar Chapel and Fearrington Village.

EXHIBIT NO. P-1 PAGE 1 OF 4

STATE OF NORTH CAROLINA **UTILITIES COMMISSION** RALEIGH

DOCKET NO. W-1274, SUB 7

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Application by Lake Junaluska Assembly, Inc.,) ORDER APPROVING 19 Sleepy Hollow Drive, Waynesville, North Carolina 28785, for Authority to Pass Through the Increased Cost of Bulk Purchased Sewer Service in Lake Junaluska, in Haywood County, North Carolina NOTICE

PASS-THROUGH OF PURCHASED BULK SEWER SERVICE AND REQUIRING CUSTOMER

BY THE COMMISSION: On September 28, 2018, Lake Junaluska Assembly, Inc. (LJA), filed an application for a certificate of public convenience and necessity (CPCN) to provide water and sewer service to residential and commercial customers in the Lake Junaluska service area, Haywood County, and for approval of rates.

In Docket No. W-1274, Sub 0, the Commission granted a CPCN to Southeastern Jurisdictional Administrative Council, d/b/a Lake Junaluska Assembly, by Order dated December 19, 2007. On June 23, 2009, LJA filed a petition with the Commission in Docket No. W-1274, Sub 4, requesting exemption from regulation pursuant to N.C. Gen. Stat. § 62-110.5. LJA is a North Carolina non-profit corporation, formed in 1938. LJA is affiliated with The United Methodist Church, and the Internal Revenue Service recognized LJA as a tax exempt charitable organization in 1959. On August 18, 2011, the Commission granted LJA's petition and LJA was exempt from Commission regulation, unless and until such time that circumstances change so that the regulation of LJA, is required.

On October 11, 2017, in Docket No. W-1274, Sub 5, Timothy F. Phelan filed a formal complaint with the Commission against LJA, alleging that the organization is no longer eligible for exemption from Commission regulation and must file for a CPCN. On October 18, 2017, in Docket No. W-1274, Sub 6, Walt Logan, filed a complaint with the Commission against LJA, alleging that the organization refuses to make available financial information regarding its operation of utility services and should no longer be exempt from Commission regulation. LJA filed a response in Docket No. W-1274, Subs 5 and 6 on November 1, 2017, denying the allegations of both Mr. Phelan and Mr. Logan, but consented to be regulated by the Commission. Subs 5 and 6 were consolidated by Order dated November 2, 2017. On April 23, 2018, the Commission issued an Order

revoking the exemption granted to LJA in Docket No. W-1274, Sub 4, and further Ordered that LJA file an application for a CPCN within 120 days of the date of the Order.

On August 20, 2018, LJA filed a Motion for Extension of Time. On August 21, 2018, the Commission granted LJA an extension until September 29, 2018, to file its application.

The CPCN Application filed on September 28, 2018, reflected LJA's sewer usage rates of \$3.99/CCF (100 cubic feet) or \$5.33/1,000 gallons, which were based upon the bulk rates of \$3.10/CCF being paid by LJA to the Town of Waynesville for purchased bulk sewer service at that time.

On August 12, 2019, LJA requested authority to pass on the increased cost of purchased bulk sewer treatment from Waynesville, in the interim pending approval of the CPCN application. Effective for service rendered on and after July 1, 2019, Waynesville increased its bulk sewer rate to LJA by ten percent, from \$3.10/CCF to \$3.41/CCF. As a result, LJA in its August 12, 2019, filing amended the proposed rates set forth in its CPCN Application and further requested authority to pass along to its customers in Lake Junaluska the \$0.31/CCF increased cost of purchasing bulk sewer service from Waynesville, resulting in a sewer usage rate increase from \$3.99/CCF to \$4.30/CCF, which is an increase in the per 1,000 gallon charge from \$5.33/1,000 gallons to \$5.74/1,000 gallons.

FINDINGS OF FACT

- 1. LJA currently purchases bulk water and bulk sewer treatment service from the Town of Waynesville and provides utility service to approximately 862 water and 829 sewer customers in Lake Junaluska.
- 2. This matter was presented to the Commission at its regular Staff Conference on September 23, 2019. The Public Staff stated that it had reviewed LJA's request and recommended that LJA be allowed to increase its sewer usage rates only (no increase in base rates) as shown below to reflect the Town of Waynesville's \$0.31/CCF increase, which equates to \$0.41 per 1,000 gallons.

Monthly Sewer Service	Old Rate	New Rate
Base charge, zero usage ^{1/}	\$15.94	\$15.94
Usage charge, per CCF	\$ 3.99	\$ 4.30
Usage charge, per 1,000 gallons	\$ 5.33	\$ 5.74

1/Note: There are larger base monthly charges for larger non-residential meters based on meter size.

EXHIBIT NO. P-1 PAGE 3 OF 4

- 3. The Public Staff further stated that it is in the process of working with the Commission Staff to schedule a hearing on the CPCN Application. The Commission has not approved rates for LJA subsequent to LJA being ruled exempt in 2011 from Commission regulation.
- 4. For an average customer using 3.77 CCF per month, the rates shown above will increase their monthly sewer bill from \$30.98 to \$32.15.

CONCLUSION

Based upon the foregoing, including the recommendation of the Public Staff, the Commission concludes the sewer rate pass through should be approved.

IT IS, THEREFORE, ORDERED as follows:

- 1. That Lake Junaluska Assembly, Inc., is authorized to increase its sewer rates by \$0.31/CCF, or \$0.41/1,000 gallons, as reflected above.
- 2. That a complete Schedule of Rates will be established after audit and customer hearing on the currently pending Application for a Certificate of Public Convenience and Necessity in this docket.
- 3. That a copy of this Order be mailed with sufficient postage or hand delivered by LJA to all its customers contemporaneously with the next billing of customers, and that LJA submit to the Commission the attached Certificate of Service, properly signed and notarized, no later than 15 days after the date of the next billing.

ISSUED BY ORDER OF THE COMMISSION.

This the ____ day of September, 2019.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL) Kimberley A. Campbell, Chief Clerk

CERTIFICATE OF SERVICE

postage or hand delivered to all affected customers copies of the attached Order isses by the North Carolina Utilities Commission in Docket No. W-1274, Sub 7, and the Order was mailed or hand delivered by the date specified therein. This the day of 2019. By: Signature Name of Utility Company	cient
was mailed or hand delivered by the date specified therein. This the day of 2019. By: Signature	sued
This the day of 2019. By: Signature)rder
By: Signature	
Signature	
Signature	
Name of Utility Company	
The above named individual,	,
personally appeared before me this day and, being first duly sworn, says that copie	es of
the Commission Order dated in Docket No. W-1274, Sub 7, w	were
mailed or hand delivered to all affected customers, as required by the Order.	
Witness my hand and notarial seal, this the day of	· · · · · · · · · · · · · · · · · · ·
2019.	
Notary Public	
Back to Agenda Address	
(SEAL) My Commission Expires:	

EXHIBIT NO. P-2 PAGE 1 OF 9

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1300, SUB 46

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Old North State Water Company, LLC,) RECOMPATION Homewood Court, Suite 108, Raleigh, North) ORD Carolina 27609, and William C. Klein, 1217 Ford Road,) TRAI Chapel Hill, North Carolina 27516, for Authority to) FRAI Transfer the Bingham Woods Mobile Home Park Water) APPI and Wastewater Systems and Franchise in Orange) AND County, North Carolina, and Approval of Rates) CUS

) RECOMMENDED
) ORDER APPROVING
) TRANSFER, GRANTING
) FRANCHISE,
) APPROVING RATES,
) AND REQUIRING
) CUSTOMER NOTICE

BY THE COMMISSION: On February 7, 2018, Old North State Water Company, LLC (Old North State) and William C. Klein (Klein), filed an application seeking authority to transfer to Old North State the Bingham Woods Mobile Home Park water and wastewater utility system assets and franchise in Orange County, and approval of rates. As of the date of the application, there were 75 active customers in the Bingham Woods Mobile Home Park water and wastewater system service area.

In an Order Requiring Customer Notice issued May 20, 2019, the Commission stated it may decide this matter without a public hearing if no significant protests were received from customers on or before June 24, 2019. No significant protests were received within the allotted time period. By Certificate of Service dated May 21, 2019, and filed with the Commission on May 23, 2019, Old North State stated that the Notice to Customers was mailed or hand-delivered to all affected customers.

The Public Staff presented this matter at the regular Commission Staff Conference on September 23, 2019.

On the basis of the verified application, the recommendations of the Public Staff, and the records of the Commission, the Commission makes the following:

FINDINGS OF FACT

1. Old North State presently holds water franchises serving approximately 406 customers and wastewater franchises serving approximately 2,643 customers in North Carolina. Old North State's record of service is satisfactory.

- 2. Old North State expects to serve 75 active water and wastewater customers in the Bingham Woods Mobile Home Park. The service area is shown on plans filed with the application.
- 3. The Bingham Woods Mobile Home Park water system was approved by the North Carolina Department of Environment and Natural Resources, Division of Water Resources, under Plan Review serial number 12-00345, dated June 25, 2013.
- 4. The Bingham Woods Mobile Home Park wastewater system was issued a Wastewater Treatment and Irrigation System Permit letter under Permit No. WQ0005279, dated March 29, 2017.
- 5. Old North State and Klein have entered into an Asset Purchase Agreement (APA) dated June 12, 2017, which states that Old North State is purchasing the water and wastewater utility systems from Klein for the lesser of \$95,000 or the amount of rate base as established by the Public Staff, and will also reimburse up to \$1,000 of Klein's attorney's fees with regard to the sale and transfer of the water and wastewater systems. The Public Staff's affidavit filed on September 3, 2019, recommends the amount of the original cost net investment for the water and wastewater systems to be \$87,955. The Public Staff has reviewed the APA and recommended that it be approved as written.
- 6. The Public Staff recommended that the \$87,955 purchase price plus the reimbursement of up to \$1,000 of Klein's attorney fees with regard to the sale and transfer of the water and wastewater systems be approved as Old North State's original cost net investment.
- 7. The mobile home park owner, Klein, has been including the cost of providing water and wastewater service in the lot rent. Old North State proposes to charge the rates shown below.

The proposed rates are as follows:

Monthly Metered Water Utility Service

Base charge, zero usage \$ 15.00 Usage charge, per 1,000 gallons \$ 5.00

Monthly Flat Rate Wastewater Service

Flat Rate Residential, per REU \$ 42.30

The average monthly water and wastewater bill based upon the average residential monthly consumption of 2,500 gallons would be \$69.80 at the applied for rates.

- 8. The Public Staff has recommended that a \$20,000 bond be posted for the water and wastewater systems. Old North State currently has \$600,000 of bonds posted with the Commission. Of this amount, \$510,000 of bond surety is assigned to service areas, and \$90,000 of bond surety is unassigned.
- 9. Old North State has the technical, managerial, and financial capacity to provide water utility service in these service areas.

CONCLUSIONS

Based on the foregoing and the recommendation of the Public Staff, the Commission concludes that the APA between Old North State and Klein signed on June 12, 2017, should be approved; that the transfer of the water and wastewater utility systems and franchise to Old North State should be approved; that the proposed rates should be approved; and that \$20,000 of Old North State's unassigned bond surety should be assigned to the system.

IT IS, THEREFORE, ORDERED as follows:

- 1. That the APA between Old North State and Klein signed on June 12, 2017, is hereby approved as written. Old North State shall file and request approval of all future amendments to the APA within 15 days after signing said amendments.
- 2. That Old North State is granted a Certificate of Public Convenience and Necessity to provide water and wastewater utility service in Bingham Woods Mobile Home Park in Orange County, North Carolina. This Certificate of Public Convenience and Necessity shall be effective upon the closing of the transfer of the water and wastewater utility system assets to Old North State.
- 3. That Appendix A constitutes the Certificate of Public Convenience and Necessity.
- 4. That the proposed rates, as shown on Appendix B, are approved for water and wastewater utility service in Bingham Woods Mobile Home Park.
- 5. Old North State's approved original cost net investment shall be the \$87,955 purchase price plus reimbursement of up to \$1,000 of Klein's attorney's fees for the sale and transfer of the water and wastewater systems.
- 6. That \$20,000 of Old North State's unassigned bond surety shall be assigned to the Bingham Woods Mobile Home Park water and wastewater systems. The remaining unassigned bond surety shall be \$70,000.

EXHIBIT NO. P-2 PAGE 4 OF 9

- 7. That Old North State shall provide written notification to the Commission within five (5) days after the closing of the transfer has been completed.
- 8. That a copy of the Notice to Customers, attached hereto as Appendix C, shall be mailed with sufficient postage or hand delivered by Old North State to all its affected customers in Bingham Woods Mobile Home Park within 15 days of the date of this Order.
- 9. That Old North State shall submit to the Commission the attached Certificate of Service, attached as Appendix D, properly signed and notarized not later than 30 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This is the ____ day of September, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-2 PAGE 5 OF 9

APPENDIX A

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1300, SUB 46

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

OLD NORTH STATE WATER COMPANY, LLC

is granted this

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

to provide water and wastewater utility service

in

BINGHAM WOODS MOBILE HOME PARK

Orange County, North Carolina,

subject to any orders, rules, regulations, and conditions now or hereafter lawfully made by the North Carolina Utilities Commission.

ISSUED BY (λ C TUC ℓ	\sim	SOLONI
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This the ____ day of September, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-2 PAGE 6 OF 9

APPENDIX B

SCHEDULE OF RATES

for

OLD NORTH STATE WATER COMPANY, LLC

for providing water and wastewater utility service in

Bingham Woods Mobile Home Park

Orange County, North Carolina

Water Monthly Base Rate: \$ 15.00

Water Usage Rate: \$ 5.00/1,000 gallons

Wastewater Monthly Flat Rate: \$ 42.30 per REU

Connection Fee: \$ 0.00

Meter Installation Fee \$ 70.00

New Account Fee: \$ 20.00

Reconnection Charge if Service is Discontinued by Utility: \$30.00

Reconnection Charge if Service is Discontinued by Customer: \$15.00

Bills Due: On billing date

Bills Past Due: 15 days after billing date

<u>Billing Frequency</u>: Shall be monthly for service in arrears

Finance Charges for Late Payment: 1.0% per month will be applied to the unpaid

balance of all bills still past due 25 days after

billing date.

Issued in Accordance with Authority Gra	inted by the North	Carolina Utilities	Commission
in Docket No. W-1300, Sub 46, on this the	he day of	,	2019.

EXHIBIT NO. P-2 PAGE 7 OF 9

APPENDIX C PAGE 1 OF 2

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

DOCKET NO. W-1300, SUB 46

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Application by Old North State Water Company, LLC,)	
4700 Homewood Court, Suite 108, Raleigh, North)	
Carolina 27609, and William C. Klein, 1217 Ford Road,)	NOTICE TO
Chapel Hill, North Carolina 27516, for Authority to)	CUSTOMERS
Transfer the Bingham Woods Mobile Home Park Water)	
and Wastewater Systems and Franchise in Orange)	
County, North Carolina, and Approval of Rates)	
• • • • • • • • • • • • • • • • • • • •	•	

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has approved the transfer of the Bingham Woods Mobile Home Park water and wastewater systems in Orange County, North Carolina, to Old North State Water Company, LLC.

The North Carolina Utilities Commission has approved the rates which are:

	<u>Rates</u>
Monthly Metered Water Utility Service Base charge, zero usage Usage charge, per 1,000 gallons	\$ 15.00 \$ 5.00
Monthly Flat Rate Wastewater Service Flat Rate Residential, per REU	\$ 42.30
Reconnection Charges	
If water service discontinued by utility according to NCUC Rule R7-20 If water service is discontinued at	\$ 30.00
customer's request	\$ 15.00

EXHIBIT NO. P-2 PAGE 8 OF 9

APPENDIX C PAGE 2 OF 2

The customers will be notified by Old North State Water Company, LLC, after the transfer closing has occurred, which notice will include Old North State's telephone numbers and mailing address.

ISSUED BY ORDER OF THE	COMMISSION.
This the day of	, 2019.
	NORTH CAROLINA UTILITIES COMMISSION
	Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-2 PAGE 9 OF 9

APPENDIX D

CERTIFICATE OF SERVICE

l,		, mailed with sufficient postage or hand-
delivered to all affecte	d customers the attac	ched Notice to Customers issued by the North
Carolina Utilities Com	mission in Docket No	o. W-1300, Sub 46, and the Notice was mailed
or hand-delivered by t	he date specified in t	he Order.
This the	day of	, 2019.
	Ву:	Signature
		Name of Utility Company
The above n	amed Applicant,	, personally
appeared before me t	his day and, being fire	st duly sworn, says that the required Notice to
Customers was maile	d or hand delivered	to all affected customers, as required by the
Commission Order da	ted	in Docket No. W-1300, Sub 46.
Witness my ha	nd and notarial seal, t	this the day of, 2019.
		Notary Public
		Printed or Typed Name
(SEAL)	Commiss	sion Expires:

EXHIBIT NO. P-3 PAGE 1 OF 9

STATE OF NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. W-1320, SUB 2 DOCKET NO. W-1300, SUB 55 DOCKET NO. W-1320, SUB 0 DOCKET NO. W-661, SUB 9

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Rates

In the Matter of Application by ONSWC - Chatham North, LLC, 4700 Homewood Court, Suite 108, Raleigh, North Carolina 27609, and Old North State Water Company, LLC, 4700 Homewood Court, Suite 108, Raleigh, North Carolina 27609, for Authority to Transfer the Brian Chapel Subdivision Wastewater System and Franchise ORDER in Chatham County, North Carolina, and Approval of CONSOLIDATING Rates DOCKETS. SCHEDULING In the Matter of HEARINGS, AND Application by ONSWC - Chatham North, LLC, 4700 **REQUIRING** Homewood Court, Suite 108, Raleigh, North Carolina CUSTOMER NOTICE 27609, and Fitch Creations, Inc., d/b/a Fearrington Utilities, 2000 Fearrington Village Center, Pittsboro, North Carolina 27312, for Authority to Transfer the Fearrington Village Wastewater System and Franchise in Chatham County, North Carolina, and Approval of

BY THE COMMISSION: On March 14, 2019, ONSWC - Chatham North, LLC (Chatham North), and Old North State Water Company, LLC (Old North State), filed an application seeking authority to transfer to Chatham North, an affiliate of Old North State, the Briar Chapel Subdivision wastewater utility system assets and franchise in Chatham County, and for approval of rates (BC Application). There are currently 1,687 residential customers and 16 commercial customers, equal to 78 residential equivalent units (REUs), in the Briar Chapel Subdivision wastewater system service area. Chatham County provides the water utility service.

EXHIBIT NO. P-3 PAGE 2 OF 9

Chatham North and Old North State have entered into a Briar Chapel Asset Purchase Agreement (BC APA) dated January 3, 2019, under which Chatham North is purchasing the wastewater utility system for \$206,000, which amount Old North State listed on the BC Application as its original cost net investment. Chatham North does not presently hold wastewater franchises in North Carolina.

The current rates for Briar Chapel are the rates the Commission approved in the original franchise proceeding in Docket No. W-1230, Sub 0, Order dated December 8, 2009, for the developer owned utility Briar Chapel Utilities, LLC. When Old North State acquired the Briar Chapel wastewater utility system from Briar Chapel Utilities, LLC pursuant to Commission Order dated April 20, 2015, in Docket No. W-1300, Sub 9, the Commission approved for Old North State the then-existing rates for Briar Chapel Utilities, LLC, which had previously been reduced for the repeal of the gross receipts tax. Chatham North proposes to continue to charge the present Commission-approved rates.

The Briar Chapel present and proposed continued rates are as follows:

Monthly Flat Rate Wastewater Service
Flat Rate Residential, per REU \$42.30

On August 12, 2019, Old North State filed an amendment to the BC Application requesting approval for the connection fee to be increased from \$1,500 to \$4,000 per REU.

The North Carolina Division of Water Resources (DWR) has approved the wastewater collection and treatment systems and reuse spray irrigation systems under permit numbers WQ0029867, WQ0028522, and WQCS00372.

On August 5, 2019, Chatham North and Fitch Creations, Inc. d/b/a Fearrington Utilities (FCI) filed an application seeking authority to transfer to Chatham North, the Fearrington Village wastewater utility system assets and franchise in Chatham County, and for approval of rates (Fearrington Application). There are currently 1,383 residential customers and 6 commercial customers, equal to 66 REUs, in the Fearrington Village wastewater system service area.

Old North State and FCI have entered into an Asset Purchase Agreement executed on September 22, 2017, (Fearrington APA), under which Old North State is purchasing the Fearrington Village wastewater utility system for \$1 plus future considerations. Exhibit 3 to the Fearrington APA is a lease agreement under which Old North State is obligated to pay to FCI a monthly rental payment \$3,250. Old North State and FCI have a pending wastewater asset and franchise transfer application in Docket

No. W-1300, Sub 47 and W-661, Sub 9. Old North State assigned to Chatham North the Fearrington APA by assignment dated "March 2019". FCI is the developer of the Fearrington Village development. The Fearrington Village wastewater treatment plant (WWTP) first two 90,000 gallons per day (gpd) phases were constructed in 1984. The last 90,000 gpd WWTP phase was constructed in 1995. This WWTP is nearing the end of its useful life and will need to be completely replaced, including material treatment upgrades, to meet upcoming nutrient management requirements for discharge into the Jordan Lake watershed. FCI has been issued a 500,000 gpd NPDES permit for discharge into an unnamed tributary of Bush Creek, a tributary of Jordan Lake, which will be transferred to Chatham North. DWR will be revising the Fearrington Village NPDES permit, including adding significantly more stringent nutrient requirements.

Chatham North plans to construct a pump station to pump the Fearrington Village wastewater to the Briar Chapel WWTP for treatment rather than replace the aged Fearrington Village WWTP. Chatham North plans to convert the existing 250,000 gpd Briar Chapel extended aeration WWTP into a 1.0 MGD membrane bioreactor (MBR) WWTP to serve as a regional WWTP to treat the wastewater for the future buildout of Briar Chapel and Fearrington Village, and other nearby future developments. The high quality MBR-treated effluent will be of the quality to meet the Jordan Lake nutrient requirements. Portions of the MBR-treated effluent will continue to be sprayed at the DWR-approved spray irrigation and reuse sites at Briar Chapel, and portions of the MBR-treated effluent will be discharged pursuant to the NPDES 500,000 gpd permit into an unnamed tributary of Bush Creek, a tributary of Jordan Lake.

The present annual flat rates of \$259.97 per REU rates for Fearrington Village were approved in FCI's most recent general rate case Order dated December 22, 2009, in Docket No. W-661, Sub 6, as later modified for the elimination of the gross receipt tax.

The Fearrington APA paragraph 1.9 provides that Chatham North will not apply for a rate increase for Fearrington Village until at least 24 months after the closing of the transfer of the Fearrington Village wastewater system assets to Chatham North.

Chatham North proposes to continue the present Fearrington Village Commissionapproved rates as follows:

Annual Flat Rate Residential, per REU \$259.97

The Fearrington Village commercial properties will continue to pay the currently approved flat rates.

On August 22, 2019, Chatham North filed a motion to consolidate the Briar Chapel Application and the Fearrington Application. The Public Staff stated at the September 23, 2019, Commission Staff Conference that the Public Staff supports this motion for consolidation as there will be an integrated wastewater utility system, as upgraded by Chatham North for Briar Chapel and Fearrington Village.
The hearing scheduled for, 2019, at 7:00 p.m., at the Chatham County Courthouse shall be solely for the purpose of receiving testimony from the Briar Chapel and Fearrington Village customers. The Commission has also scheduled a hearing in Raleigh on, 2019, to begin at 9:30 a.m., in the Commission Hearing Room 2115, Dobbs Building, 430 N. Salisbury Street, Raleigh, North Carolina, solely for the purpose of receiving witness testimony from Old North State, Chatham North, FCI, the Public Staff, and intervenors, if any.
The Commission finds good cause to schedule the BC Application and the Fearrington Application for hearings and to require that Old North State and FCI provide notice to their customers of the hearings scheduled herein.
This matter was presented at the regular Commission Staff Conference on September 23, 2019. Based on the foregoing, and upon the recommendation of the Public Staff, the Commission is of the opinion that the BC Application and the Fearrington Application should be consolidated, the matter should be scheduled for customer only public hearing, the pre-filing of testimony, an evidentiary hearing, and customer notice.
IT IS, THEREFORE, ORDERED as follows:
1. That the BC Application, Docket No. W-1320, Sub 0, and Docket No. W-1300, Sub 55, and the Fearrington Application, Docket No. W-1320, Sub 2, and Docket No. W-661, Sub 9, are consolidated for the customer public hearing and the evidentiary hearing.
2. That the BC Application and Fearrington Application are scheduled for hearing, for the purpose of receiving Chatham North, Old North State, FCI, the Public Staff, and intervenors, if any:
Raleigh, North Carolina: Beginning at 9:30 a.m., onday,, 2019, in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street.

3. That the BC Application and Fearrington Application are scheduled for public hearing, solely for the purpose of receiving testimony from the Briar Chapel and Fearrington Village customers, as follows:

EXHIBIT NO. P-3 PAGE 5 OF 9

<u>Pittsboro, North Carolina</u> : at 7:00 p.m., onday,, 2019, Courtroom, Chatham County Courthouse, 832 East 4 th Street;
4. That on or before,, 2019, Chatham North, Old North State, and FCI shall file the direct testimony of their witness(es);
5. That, on or before,, 2019, the Public Staff and intervenors, if any, shall file the testimony of their witness(es);
6. That, on or before,, 2019, Chatham North, Old North State, and FCI shall file the rebuttal testimony of its witness(es), if any;
7. That, on or before,, 2019, persons having an interest in this matter may file petitions to intervene in this docket.
8. That the customer evening hearing in Pittsboro is scheduled for the purpose of receiving testimony from the Briar Chapel and Fearrington Village customers. Chatham North, Old North State, and FCI within 20 days after that hearing shall file a report responding to the testimony provided by the customers;
9. That an officer or representative of Chatham North, Old North State, and FCI are required to appear in person before the Commission at the time and place of the evidentiary hearing to testify concerning any of the information contained in the BC Application and the Fearrington Application;
10. That, within 5 business days of the date of this Order, Chatham North shall deliver copies of the Notice to Customers, attached hereto as Appendix A-1, to all customers served by the Briar Chapel wastewater system, and to all customers served by the Fearrington Village wastewater system, by U.S. mail or by hand delivery; and
11. That, within 10 business days of the date of this Order, Chatham North shall file a completed copy of the Certificate of Service, attached hereto as Appendix A-2, evidencing compliance with the requirement to give notice to its customers pursuant to Ordering Paragraph No. 10 of this Order.
ISSUED BY ORDER OF THE COMMISSION.
This the day of, 2019.
NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-3 PAGE 6 OF 9

APPENDIX A-1 PAGE 1 OF 3

STATE OF NORTH CAROLINA UTILITIES COMMISSION RALEIGH

NOTICE TO CUSTOMERS

BRIAR CHAPEL

DOCKET NO. W-1320, SUB 0 DOCKET NO. W-1300, SUB 55

FEARRINGTON VILLAGE

DOCKET NO. W-1320, SUB 2 DOCKET NO. W-661, SUB 9

Notice is given that, ONSWC - Chatham North, LLC (Chatham North), 4700 Homewood Court, Suite 108, Raleigh, NC 27609, and Old North State Water Company, LLC (Old North State), 4700 Homewood Court, Suite 108, Raleigh, NC 27609, filed an application with the North Carolina Utilities Commission (Commission) for authority to transfer to Chatham North, an affiliate of Old North State, the Briar Chapel Subdivision wastewater system in Chatham County, and for approval of rates.

Notice is given that, ONSWC - Chatham North, LLC (Chatham North), 4700 Homewood Court, Suite 108, Raleigh, NC 27609, and Fitch Creations, Inc., d/b/a Fearrington Utilities (FCI), 2000 Fearrington Village Center, Pittsboro, North Carolina, 27312, filed an application with the Commission for authority to transfer to Chatham North, an affiliate of Old North State, the Fearrington Village Subdivision wastewater system in Chatham County, and for approval of rates.

Chatham North proposes to continue to charge the Commission-approved present rates for the Briar Chapel and Fearrington Village. Chatham North has not applied for a customer rate increase.

Chatham North plans to construct a pump station to pump the Fearrington Village wastewater to the Briar Chapel wastewater treatment plant (WWTP) for treatment rather than replace the aged Fearrington Village WWTP. Chatham North plans to convert the existing 250,000 gallons per day (gpd) Briar Chapel extended aeration WWTP into a

EXHIBIT NO. P-3 PAGE 7 OF 9

APPENDIX A-1 PAGE 2 OF 3

1.0 million gallons per day (MGD) membrane bioreactor (MBR) WWTP to serve as a regional WWTP to treat the wastewater for the future buildouts of Briar Chapel and Fearrington Village, and other nearby future developments. The high quality MBR-treated effluent will be of the quality to meet the upcoming stringent Jordan Lake nutrient requirements. Portions of the MBR-treated effluent will continue to be sprayed at the North Carolina Division of Water Resources-approved spray irrigation and reuse sites at Briar Chapel, and portions of MBR-treated effluent will be discharged pursuant to the NPDES 500,000 gpd permit into an unnamed tributary of Bush Creek which is a tributary of Jordan Lake.

PROCEDURE FOR PUBLIC HEARING:

Th	е	Comm	ission	has	schedu	led a	a p	oublic	hearing	for		,
		,	2019, 8	at 7:00	p.m., a	it the	Ch	atham	County	Courth	ouse v	vhich
shall be	so	lely for	the pu	rpose	of recei	iving t	test	timony	from the	e Briar	Chape	l and
Fearring ¹	tor	Village	custo	mers.							•	

The Commission has also scheduled a hearing for ______, _______, 2019, at 9:30 a.m., in Commission Hearing Room 2115, Dobbs Building, 430 N. Salisbury Street, Raleigh, North Carolina, for the purpose of receiving the testimony of Old North State, Chatham North, FCI, the Public Staff, and intervenors, if any.

The Public Staff is authorized by statute to represent the consumers in proceedings before the Commission. Written statements to the Public Staff should include any information which the writer wishes to be considered by the Public Staff in its investigation of the matter, and such statements should be addressed to Mr. Chris Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina, 27699-4300. Written statements may also be faxed to (919) 715-6704 or e-mailed to Lindsay Darden at lindsay.darden@psncuc.nc.gov.

Pursuant to N.C. Gen. Stat. § 14-269.4, absent certain specific exceptions, it is unlawful for any person to possess, or carry, whether openly or concealed, any deadly weapon, not used solely for instructional or officially sanctioned ceremonial purposes, in any building housing any court of the General Court of Justice. Therefore, weapons are strictly prohibited at the hearings scheduled in these dockets in county courthouses. Everyone entering the county courthouse shall have to pass through a metal detector, and any weapons found will be seized.

EXHIBIT NO. P-3 PAGE 8 OF 9

APPENDIX A-1 PAGE 3 OF 3

Persons desiring to present testimony concerning their opinions on the BC Application and/or the Fearrington Application, or on any service problems they may be experiencing, may appear at the public hearing at the Chatham County Courthouse and give such testimony.

Written statements are not evidence unless those persons submitting the statements appear at the public hearing and testify concerning the information contained in their written statements.

The Attorney General is also authorized by statute to represent the consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Persons desiring to intervene in the matter as formal parties of record should file a motion under North Carolina Utilities Commission Rules R1-6, R1-7, and R1-19, on or before [insert date], 2019. Any such motion should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

The details of the applications for transfer of two wastewater utility systems, the public utility franchises, and the continuation of the existing Commission-approved customer service rates, have been filed with the North Carolina Utilities Commission. Copies of the applications and all filings in this matter are available for review by the public at the Commission Office of the Chief Clerk, 430 North Salisbury Street, Raleigh, North Carolina. Information regarding these proceedings can also be accessed from the Commission's website at www.ncuc.net under the docket numbers of these proceedings.

This the ____ day of September, 2019.

NORTH CAROLINA UTILITIES COMMISSION

Kimberley A. Campbell, Chief Clerk

EXHIBIT NO. P-3 PAGE 9 OF 9

APPENDIX A-2

CERTIFICATE OF SERVICE

I,	, mailed with sufficient
postage or hand delivered to all affecte	d customers the attached Notice to Customers
issued by the North Carolina Utilities	Commission in Docket Nos. W-1320, Sub 0,
W-1300, Sub 55, W-1320, Sub 2, and W	-661, Sub 9, and the Notice was mailed or hand
delivered by the date specified in the Ord	der.
This the day of	, 2019.
Ву:	
•	Signature
	Name of Utility Company
The above named Applica	nt, ONSWC-Chatham North, LLC, by
, r	personally appeared before me this day and,
being first duly sworn, says that the req	uired Notice to Customers was mailed or hand
delivered to all affected customers, a	s required by the Commission Order dated
in Docket Nos. W	7-1320, Sub 0, W-1300, Sub 55, W-1320, Sub 2,
and W-661, Sub 9.	
Witness my hand and notarial sea	l, this the day of, 2019.
Back to Agenda	
-	Notary Public
	Printed or Typed Name
(SEAL) Comm	ission Expires: